

The Facts About Medicaid Managed Care Rates



States pay Medicaid Managed Care plans a **fixed monthly capitation rate** to cover beneficiaries' health care needs. The rate is the same amount each month, regardless of how many or what types of services the member needs.

Ohio's actuary considers a **variety of factors** when setting capitation rates, including:

- Records of services, financial statements and other data.
- Regional differences and variances.
- Outpatient facility reimbursement updates and other program changes.
- Pricing adjustments and taxes.

Ohio Medicaid Managed Care **plans are at risk for any service costs** exceeding the capitation payment, thus incentivizing plans to provide coordinated care resulting in positive health outcomes.

All capitation rates are federally required to be actuarially sound, meaning **they cannot be arbitrarily raised or lowered** without clear justification.
